

## **BILL ANALYSIS**

Senate Research Center  
85R1239 CJC-D

H.B. 1346  
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Finance  
4/26/2017  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, heavy equipment dealers must pay property taxes on inventory held for sale or rental. These taxes must be paid for items including bulldozers, excavators, dump trucks, skid loaders, and farm tractors. Rather than be paid once a year, property taxes for heavy equipment inventory must be paid once a month. Dealers are required, by law, to pay these taxes on or before the 10th day of each month and file a statement of sales with the applicable county tax collector. Separate from paying property taxes, dealers must pay sales taxes on or before the 20th day of the month. Interested parties observe that aligning the property tax submission deadline with that for sales taxes would ease heavy equipment dealers' compliance with these requirements. H.B. 1346 changes the deadline for heavy equipment dealers' submission of property tax payments and sales statements from the 10th to the 20th day of each month.

H.B. 1346 amends current law relating to the date for prepayment of taxes on a dealer's heavy equipment inventory.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 23.1242(b) and (f), Tax Code, as follows:

(b) Requires the owner, on or before the 20th day, rather than the 10th day, of each month to, together with the statement filed by the owner as required by this section (Prepayment of Taxes by Heavy Equipment Dealers), deposit with the collector an amount equal to the total of unit property tax assigned to all items of heavy equipment sold, leased, or rented from the dealer's heavy equipment inventory in the preceding month to which a unit property tax was assigned.

(f) Requires a dealer, on or before the 20th day, rather than the 10th day, of each month, to file with the collector the statement covering the sale, lease, or rental of each item of heavy equipment sold, leased, or rented by the dealer in the preceding month. Requires a dealer, on or before the 20th day, rather than the 10th day, of a month following a month in which a dealer does not sell, lease, or rent an item of heavy equipment, to file the statement with the collector and indicate that no sales, leases, or rentals were made in the prior month.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2017.